<table>
<tr><td colspan="2">NAME OF THE COURSE</td><td colspan="5">ECONOMICS OF INSURANCE</td></tr>
<tr><td>Code</td><td>EUBD25</td><td>Year of study</td><td colspan="4">1st</td></tr>
<tr><td>Course teacher</td><td>Marijana Ćurak, Full Profesor; Sandra Pepur, Associate Professor</td><td>Credits (ECTS)</td><td colspan="4">5</td></tr>
<tr><td rowspan="2">Associate teachers</td><td rowspan="2">Dujam Kovač, M.Econ</td><td rowspan="2">Type of instruction (number of hours)</td><td>L</td><td>S</td><td>E</td><td>F</td></tr>
<tr><td>26</td><td></td><td>26</td><td></td></tr>
<tr><td>Status of the course</td><td>Compulsory</td><td>Percentage of application of e-learning</td><td colspan="4">20%</td></tr>
<tr><td colspan="7">COURSE DESCRIPTION</td></tr>
<tr><td>Course objectives</td><td colspan="6">Provide knowledge that will enable critical judgment of production and functional aspects of insurance companies and insurance markets, actuarial calculations and assessment of regulation of insurance companies.</td></tr>
<tr><td>Course enrolment requirements and entry competences required for the course</td><td colspan="6">Requirements for the course enrolment are regulated by the Statute of the Faculty of Economics, Business and Tourism and by the Rulebook of study programs and studying system.</td></tr>
<tr><td>Learning outcomes expected at the level of the course (4 to 10 learning outcomes)</td><td colspan="6">Course learning outcome:
Critically evaluate product and functional aspects of insurance companies and insurance markets, determine the appropriate actuarial calculations and evaluate the regulatory aspects of the insurance companies' operations.

Particular learning outcomes:
1. Identify the determinants of insurance supply and demand and assess the characteristics of the insurance market structure.
2. Evaluate the product aspects of insurance companies.
3. Analyse the functional aspects of insurance companies.
4. Calculate the insurance premium based on actuarial calculations.
5. Argue the existence of regulation and evaluate the legal and regulatory aspects of the insurance companies' operations.</td></tr>
<tr><td>Course content broken down in detail by weekly class schedule (syllabus)</td><td colspan="6"><table>
<tr><td colspan="2">Lectures</td><td colspan="2">Exercises</td></tr>
<tr><td>Topics</td><td>Hours</td><td>Topics</td><td>Hours</td></tr>
<tr><td>The demand for insurance: risks, decision-making in situation of uncertainty, concept of utility, behavioural economics.</td><td>2</td><td>Task examples - making decision on buying insurance.</td><td>2</td></tr>
<tr><td>Insurance supply: pooling model and diversification.
Organizations of insurance.</td><td>2</td><td>Determinants of demand for life and non-life insurance.

Task examples related risk pooling and diversification.</td><td>2</td></tr>
<tr><td>Life insurance: life assurance and annuity insurance.</td><td>2</td><td>Case studies - life insurance.

Single net premiums.

Seminar paper presentation.</td><td>2</td></tr>
</table></td></tr>
</table>

	Non-life insurance.	2	Case studies – non-life insurance. Annual net premiums. Gross premium. Seminar paper presentation.	2
	The assumptions of perfect competition in the insurance market. Forms of market imperfections. Determinants of insurance price.	2	Task examples - the impact of setting prices on changes in the insurance market. Seminar paper presentation.	2
	Insurance contract. Contract principles.	2	Examples of franchise clause, underinsurance clause, first loss clause and coinsurance clause. Seminar paper presentation.	2
	Insurance intermediation.	2	Insurance agents and brokers. Field work	2
	Risk underwriting and premiums ratings. Insurance companies' operating expenses.	2	Determining performances of risk underwriting. Seminar paper presentation.	2
	Sources of funds for insurer: equity and reserves.	2	Determining mathematical reserve. Determining unearned premium reserve and equalization reserve. Seminar paper presentation.	2
	Management of underwriting risk: coinsurance, reinsurance, alternative risk transfer.	2	Examples of proportional and non-proportional reinsurance. Seminar paper presentation.	2
	Investments of insurance companies.	2	Bond immunization. Selection of the optimal portfolio. Seminar paper presentation.	2
	Claim settlement: indemnity, organization and phases in the process of claim settlement.	2	Case studies – claim settlement. Seminar paper presentation.	2
	Regulation of insurance: imperfections of the market and the reasons for regulation, fields of regulation.	2	Solvency regulation. Seminar paper presentation.	2
	☑ **lectures**		☐ independent assignments	

Format of instruction	☑ **seminars and workshops** ☑ **exercises** ☐ *on line* in entirety ☐ partial e-learning ☑ **field work**	☐ multimedia ☐ laboratory ☐ work with mentor ☑ **case study** ☐ visiting lecture
Student responsibilities	The requirements to get the right to take the final exam: regular attendance (for full-time students: minimum 60% of lectures and 60% of exercises; for part-time students: half of the conditions defined for full-time students) and successfully written and presented seminar paper.	

Screening student work *(name the proportion of ECTS credits for each activity so that the total number of ECTS credits is equal to the ECTS value of the course)*						
	Class attendance	0,7	Research		Practical training	
	Experimental work		Report		Self-assessment test	
	Essay		Seminar paper	0,8	Case study	
	Mid-term exams	3,5*	Oral exam		(Other)	
	Written exam	3,5 *	Project		(Other)	

Grading and evaluating student work in class and at the final exam	Two written mid-term exams will be organized during the semester. The first written midterm exam can be taken by all students enrolled in the course. A student must achieve a minimum of 55 points in the first mid-term exam as a prerequisite for taking the second mid-term exam. The overall grade is determined by the average number of points achieved at both mid-term exams. Those students, who do not take or do not pass the mid-term exams, take the final exam. Written exams consist of 10 questions, 5 of which are essay (theory)-related and 5 refer to numerical tasks. Each correct answer related to the theory is evaluated with 12 points, while the one that refers to the numerical tasks is evaluated with 8 points. Score thresholds and corresponding grades for written exams: 0-54 points = insufficient (1); 55-69 points = sufficient (2); 70-80 points = good (3); 80-89 points = very good (4) and 90-100 points = excellent (5). Additionally, in order to get a passing grade, the student has to accomplish 33 points on the essay (theory)-related questions and 22 points on numerical tasks. A seminar paper and its presentation are compulsory for students and are evaluated up to 10 points. A student can achieve up to 5 additional points based on class contributions. * A student who has achieved a minimum of 55 points in each mid-term exam has completed the module and, thus, is not required to take the final written exam.

Required literature (available in the library and via other media)	**Title**	**Number of copies in the library**	**Availability via other media**
	Andrijašević, S., Petranović, V. (1999.): *Ekonomika osiguranja*, Alfa, Zagreb.	3	
	Ćurak, M., Jakovčević, D. (2007.): *Osiguranje i rizici*, RRIF plus, Zagreb.	11	
	Ćurak, M., Kovač, D. (2023.-2024.): *Economics of Insurance*, the course materials on Moodle platform.		x

Optional literature (at the time of submission of study programme proposal)	Beck, T. and I. Webb (2003.): *Economic, Demographic, and Institutional Determinants of Life Insurance Consumption across Countries*, The World Bank Economic Review, Vol. 17, No. 1, str. 51-88. Ćurak, M. (2004.): *Transformacija društava za uzajamno osiguranje u dionička društva za osiguranje*, Osiguranje - hrvatski časopis za teoriju i praksu osiguranja, br. 11, str. 8-13. Ćurak, M., Kljaković-Gašpić, M. (2011.): *Economic and Social Determinants of Life Insurance Consumption – Evidence from Central and Eastern Europe*, The Journal of American Academy of Business, Cambridge, Vol. 16, No. 2, str. 216-222. Ćurak, M., Kovač, D. (2020.): *Upravljanje rizicima društava za neživotno osiguranje i reosiguranje primjenom tehnike sekuritizacije*, Ekonomski vjesnik, Vol. 33, No. 1, 2020., str. 287.-303. Ćurak, M., Pojatina, D. (2004.): *Bankoosiguranje – novi izazov*, u knjizi: Suvremena financijska pitanja i izazovi razvitka hrvatskog financijskog sektora, (urednici: prof. dr. sc. Ivan Lovrinović i prof. dr. sc. Ljiljana Vidučić), Ekonomski fakultet Split, Ekonomski fakultet Zagreb, Split, str. 57-71. Ćurak, M., Utrobičić, M., Kovač, D. (2014.): *Firm Specific Characteristics and Reinsurance – Evidence from Croatian Insurance Companies*, Ekonomska misao i praksa, Vol. XXIII, No. 1, str. 29-42. Gründl, H., Dong, M. I., Gal, J. (2016.): *The evolution of insurer portfolio investment strategies for long-term investing*, OECD Journal: Financial Market Trends, Vol. 2016, No. 1, str. 1-55. Harrington, S. E., Niehaus, G. R. (2004.): *Risk Management and Insurance*, McGraw-Hill. Njegomir, V. (2018.): *Upravljanje rizicima u osiguranju i reosiguranju*, Tectus, Zagreb. Outreville, J. F. (2013.): *The Relationship Between Insurance and Economic Development: 85 Empirical Papers for a Review of the Literature*, Risk Management and Insurance Review, Vol. 16, No. 1, p. 71-122. Rejda, G. E., (2010.): *Principles of Risk Management and Insurance*, Prentice Hall Šain, Ž., (2010.): *Aktuarski modeli životnih osiguranja*, I i II dio, Ekonomski fakultet, Sarajevo Other sources: Croatian Insurance Bureau, http://www.huo.hr/ Croatian Financial Services Supervisory Agency, http://www.hnb.hr/ European Insurance and Occupational Pensions Authority, https://eiopa.europa.eu/ Insurance, http://osiguranje.hr/ Insurance, http://osiguranje.hr/ Insurance Europe, https://www.insuranceeurope.eu/ Official Gazette, https://www.nn.hr/		

	SwissRe, http://www.swissre.com/
Quality assurance methods that ensure the acquisition of exit competences	• Monitoring the class attendance and execution of other student's obligations (Teacher) • Teaching Supervision (The Vice-Dean for academic and student affairs) • Analysis of the studying performance for all courses of the study program (The Vice-Dean for academic and student affairs) • Student survey on the quality of teachers and teaching for each course of the study program (UNIST, Centre for Quality Improvement) • All learning outcomes of the course are examined by the examination conducted by the course teacher. Periodic examination of the content of the exam is conducted in order to verify the appropriateness of the method of validating the learning outcomes (The Vice-Dean for academic and student affairs).
Other (as the proposer wishes to add)	